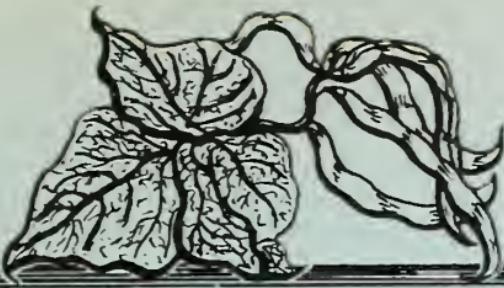


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Dry Edible BEANS

PROGRAM FOR 1950

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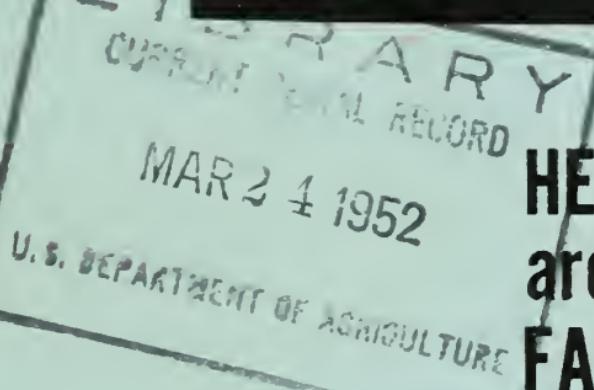
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Utah

PRICE SUPPORTS

ACREAGE ALLOTMENTS



HERE
are the
FACTS

U. S. PRODUCTION AND MARKETING ADMINISTRATION
United States Department of Agriculture

WHAT THIS IS ABOUT

Acreage allotments for most classes of dry edible beans are being used in 1950 as a guide to help you and your fellow bean producers cooperatively adjust production to requirements. As effective operation of the Federal price-support program depends on maintaining a practical balance between supplies and requirements, compliance with acreage allotments is a condition of eligibility for price support of 1950-crop dry edible beans of specified classes.

If you plan to grow dry edible beans in 1950, the following information is important to you because it tells how to become eligible for Federal price support.

YOUR FARM ACREAGE ALLOTMENT FOR 1950

1. Classes of dry edible beans of the 1950 crop for which acreage allotments have been established and for which price support is available are: Pea and Medium White (Navy); Great Northern; Small White, including Flat Small White; Pinto; Red Kidney; Pink; Small Red (Red Mexican); Cranberry; Standard (Large) Lima, and Baby Lima. All further references to beans are to dry edible beans of these classes unless otherwise specifically stated.
2. If beans were planted on your farm in one or more of the 3 years, 1947-49, an acreage allotment has been established for your farm for 1950.
3. Allotments are set by your county Production and Marketing Administration (PMA) committee on an "ownership tract" basis. An "ownership tract" is all adjacent or nearby farm or range land under the same ownership which is operated by the same person, including any field-rented tract under the same ownership.
4. The allotment for each ownership tract is set primarily on the basis of:
 - (a) The acreages planted to beans on the tract in the years 1947-49, and
 - (b) The relation between the "usual" bean acreage for the county and the number of acres in the county allotment.

Other factors that are taken into consideration include:

- (a) Conditions that resulted in unusually high or low bean acreages on the tract in one or more years of the 1947-49 base period,
- (b) Crop rotation practices, and
- (c) Tillable acreage, type of soil, and topography of the tract.

5. The sum of the allotments established for ownership tracts included in your farm for 1950 is your 1950 farm acreage allotment. Your allotted acreage may be planted, however, on any land included in your farm as constituted at the time allotments were established.
6. If beans were not planted on a farm in any of the 3 years, 1947-49, but a request for a 1950 acreage allotment was filed prior to the closing date for receiving such requests, an allotment was established by the county PMA committee if it found that the facts justified the allotment, and if other necessary requirements were met.
7. If the land that is actually included in your farm in 1950 will differ from that upon which the farm acreage allotment was based, you should immediately notify your county PMA committee. Failure to do so may jeopardize your eligibility for price support on beans.
8. If, after receiving notice of your farm acreage allotment, you have reason to believe that it has not been properly determined and can offer facts to substantiate your claim, you may file a request with your county PMA committee for reconsideration. Such request must be filed within 15 days after the notice of allotment was mailed to you. The county committee decision may be appealed to the State PMA committee and, if you wish, from the State committee to the Director, Grain Branch, Production and Marketing Administration. Information as to the proper procedure may be obtained from the county committee or from the 1950 Dry Edible Bean Acreage Allotment Regulations, copies of which are available in the county PMA office.

PRICE SUPPORT FOR THE 1950 CROP

1. Beans of the 1950 crop that will grade U. S. No. 2 or better upon delivery to the Commodity Credit Corporation, and meet other program requirements, will be eligible for price support at levels which will reflect to farmers an average of \$6.30 per hundredweight on a threshed-run basis. This is approximately 75 percent of parity. The schedule of support prices for your area by classes and grades is available at your county PMA office.
2. Nonrecourse loans and purchase agreements will be available to eligible producers from time of harvest through January 31, 1951. Loans will mature on April 30, 1951, or earlier, on demand. Producers wishing to deliver beans under purchase agreements with the Commodity Credit Corporation must declare their intentions within a 30-day period ending April 30, 1951, or earlier, as may be determined by CCC. Applications for both loans and purchase agreements are filed with your county PMA committee.

3. You will need to have adequate storage available to take full advantage of loan and purchase-agreement programs. To help finance the construction or purchase of new on-the-farm storage facilities that meet CCC specifications, loans at 4 percent interest, repayable in five yearly installments, can be arranged through your county PMA committee.

PRICE-SUPPORT ELIGIBILITY DEPENDS ON COOPERATION WITH ALLOTMENT PROGRAM

1. If you have an interest in the bean crop on only one farm --

You will be eligible for price support on all or any part of your 1950-crop beans if the acreage planted to beans on your farm does not exceed the farm acreage allotment.

You will not be entitled to price support on any of your 1950-crop beans if the acreage planted to beans on your farm is in excess of the farm acreage allotment.

2. If you have an interest in the bean crop of two or more farms --

You will be eligible for price support on all or any part of your 1950-crop beans if the acreage planted to beans on each farm does not exceed the farm acreage allotment.

But if the acreage planted to beans exceeds the farm acreage allotment on one or more of your farms, you will not be eligible for price support on the beans produced on such farms, and may not be eligible for price support on any of your 1950-crop beans. See your county PMA committee for further details.

3. Cooperation with acreage-allotment or marketing-quota programs for other agricultural commodities will not be a condition of eligibility for price-support for 1950-crop beans.

WHY ALLOTMENTS ARE BEING USED IN 1950

Price support for any edible beans is not mandatory under the Agricultural Act of 1949 but may be authorized by the Secretary of Agriculture under certain conditions.

Among the factors that must be taken into consideration in determining whether price support will be authorized, and the level of support, are--

1. The relation between the supply and requirements for dry edible beans,
2. Price levels at which other commodities are being supported,

3. The importance of dry edible beans to agriculture and the national economy,
4. The ability and willingness of producers to keep supplies in line with demand.

Likewise, the Agricultural Act of 1949 provides that compliance by the producer with acreage allotments may be required as a condition of eligibility for price support.

Here are the facts --

1. The total supply of dry beans, present and prospective, is in excess of available market outlets.
2. Current prices of dry beans received by producers, as compared with average pre-World War II (1935-39) prices, are relatively lower than prices of most other crops for which price supports are available to producers.
3. Dry edible beans are an important source of cash income in the major bean-producing States. The assurance of abundant supplies at stable prices is of particular importance to consumers, as dry edible beans are a major source of protein in the diet of low-income families.
4. To stabilize supplies, a substantial reserve is necessary to equalize year-to-year variations in crop production. But any appreciable increase in carry-over stocks in the hands of farmers and the trade would tend to depress market prices for the whole crop. This could be expected to affect plantings the following year, and would likely lead to a period of wide year-to-year fluctuations in both supplies and prices.
5. Supplies and prices can be stabilized by supporting prices to producers at levels fair to both producers and consumers, and by withholding most of the reserve supply from the "free market" when market supplies are otherwise adequate. This can be accomplished, under present legislation, through CCC loan and purchase agreement programs.
6. But the present reserve supply level is more than adequate. Practical operation of the Federal price-support program for the 1950 crop requires, therefore, that its scope be limited to that acreage which will produce, at normal yields, a quantity of beans that together with the carry-over at the beginning of the marketing year, will meet prospective domestic and export requirements and provide an adequate reserve.
7. The most satisfactory method of accomplishing this, under present legislation, is through the use of farm acreage allotments. Farm allotments have been set, as explained above, so that the national total of all 1950 farm

allotments for the specified classes of beans is approximately 80 percent of the acreage planted to those classes in 1949.

THE DRY BEAN "SITUATION" FOR 1950

The total supply of all classes of dry edible beans for the crop year beginning September 1, 1949, is estimated at 25,900,000 bags of 100 pounds, cleaned basis. This includes the all-time record 1949 crop of 20 million bags (21.6 million bags, un-cleaned basis); a carry-over on September 1, 1949, estimated at 5,600,000 bags, and indicated imports of 300,000 bags during the crop year.

Domestic disappearance, including food, feed, industrial uses, seed and waste, during the 12-month period ending September 1, 1950, is estimated at 14,700,000 bags. About 1,050,000 bags are expected to be exported during the same period. This indicates a total disappearance in 1949-50 of 15,750,000 bags, leaving a carry-over of 10,150,000 bags at the end of the current marketing year, nearly double the amount carried over on September 1, 1949.

With the price-support-acreage-allotment program in effect, and assuming good cooperation by producers and average yields, the 1950 crop will likely total around 13,000,000 bags, cleaned basis. Adding the estimated carry-over as of September 1, 1950, of 10,150,000 bags, and probable imports in 1950-51 of around 50,000 bags, gives a total supply of 23,200,000 bags for the year ending September 1, 1951.

Domestic disappearance and exports for this same period are estimated at 15,500,000 bags, which would leave a carry-over of 7,700,000 bags on September 1, 1951. This reserve is probably more than would be necessary to stabilize supplies at the contemplated levels of production and consumption. But experience has proved that dry bean yields may fluctuate considerably from year to year, and the size of the 1950 crop could vary substantially from the estimate.

Domestic consumption of dry edible beans in the United States has averaged around 8.5 pounds per capita in the last 10 years. It appears to be relatively independent of price. That is, lower consumer prices do not induce corresponding increases in consumption. Consumption is much larger among low-income families than among the medium and high-income groups.

SEE YOUR COUNTY PMA COMMITTEE

If you have additional questions about acreage allotments, price supports, storage facility loans, or any other phase of the program, your county Production and Marketing Administration (PMA) committee will be glad to answer them for you.

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Washington, D. C.

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March 1950/